

A spiral notebook binding is visible on the left side of the image, with the metal spiral winding through a series of holes in a brown cover. The notebook is open to a page with a light beige, textured background.

# WELCOME

Wisconsin Institute for Financial  
and Economic Education  
Credit & Money Series  
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# Financial Education & the Federal Government

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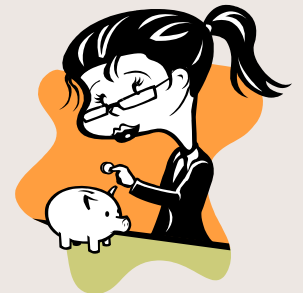
Director, Office of Financial Education

U.S. Department of the Treasury

[www.treas.gov/financialeducation](http://www.treas.gov/financialeducation)

# Why Is Financial Education Important?

Helping people understand basic concepts such as managing money, budgeting, how to save and invest, and credit management provides them with the skills to build financial security and make good financial decisions throughout their lives.





# Why Is Financial Education Important for Young People?

- o In 2001 teenagers spent more than \$172 billion.
- o More than 1 in 5 youths ages 12 to 19 have their own credit cards.
- o The number of young Americans between the ages of 18 and 25 who declared bankruptcy in the 1990s nearly doubled from 60,180 in 1991 to 118,000 in 1999. In 2000, young people accounted for approximately 7% of the nation's personal bankruptcies.



\*\*Statistics from different sources

# U.S. Treasury Department Office of Financial Education

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- ❖ Established in Spring 2002.
- ❖ Focuses the Treasury Department's financial education policymaking.
- ❖ Raises awareness about the need for financial education.
- ❖ Provides information about financial education resources throughout the federal government.



# U.S. Treasury Department Office of Financial Education

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Focuses on four key areas:

- ✓ Basic Savings
- ✓ Credit Management
- ✓ Homeownership
- ✓ Retirement Planning

# What Is the Office of Financial Education Doing?

- ✓ Chairs the Federal Government Financial Education Coordinating Group (FGFECG)
- ✓ Coordinates and encourages financial education efforts, and expands cooperation among federal agencies
- ✓ Highlights effective financial education programs across the country according to criteria established by OFE

# What Is the Office of Financial Education Doing?

- ✓ Co-hosted panel discussion with the Department of Education on integrating financial education into core curricula in grades K-12 and published an October 2002 white paper on the subject.
- ✓ Co-hosted credit management roundtable with the Federal Reserve and developed credit management fundamentals for consumers.





# Why Teach Financial Education in Schools?

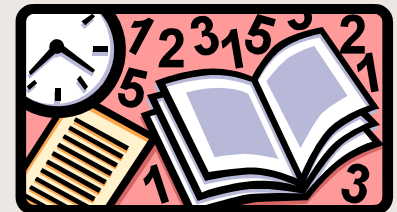
- The best way for young people to receive financial education is by including personal finance concepts (compounding interest or budgeting) when teaching math or reading.
- It enhances the teaching of these subjects by providing real life examples that are meaningful to students.
- When teaching personal finance skills in schools, we prepare young people to become competent consumers and informed managers of household wealth.

# Integrating Financial Education Into Core Curricula

## 2002 White Paper

Key access points to ensure financial education is taught in schools:

- ☐ Standards Development Process
- ☐ Testing
- ☐ Text Books
- ☐ Financial Education Materials
- ☐ Educators



# Integrating Financial Education Into Core Curricula

- ❑ Standards: Informing the state boards of education about the importance of personal finance can help ensure financial concepts are included in math and reading curricula.
- ❑ Testing: Including financial concepts in tests encourages teachers to teach the subject in the classroom.
- ❑ Textbooks: Educating publishers about the value of integrating financial concepts into math and reading, and requiring them to demonstrate how their materials incorporate financial concepts into other subjects.

# Integrating Financial Education Into Core Curricula

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- ❑ Financial Education Materials: Incorporating on-line materials into math and reading curricula to provide a financial education component to these subjects.
- ❑ Educators: Training and professional development requirements should stress the importance of financial education so that teachers can convey such information to students.

# Personal Finance Education

## State Legislation

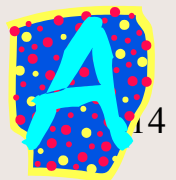
- Colorado House Joint Resolution 03-1069: Concerning the importance of personal financial literacy.
- Montana House Joint Resolution 10: Urging the board of public education to integrate the principles of basic personal finance into the content and performance standards established for Montana's public schools.
- Texas House Concurrent Resolution 15: Directing the State Board of Education to implement the inclusion of elements relating to personal finance among the essential knowledge and skills in the required public school curriculum





# Financial Education Effectiveness

- High school graduates from states that mandated a personal finance education course have higher savings rates than individuals in other states
- Individuals who have received financial education participate more frequently in, and make larger contributions to, employer 401(k) programs



# The Need for Financial Education Today

- Americans are presented with complex financial choices requiring them to select from a rich diversity of financial products and services.
- All Americans need to be prepared and financially educated to take full advantage of these opportunities.
- When individuals fulfill their potential, there is an overall impact on the nation's economy.

# Federal Government Financial Education Programs

H.I.P. Pocket Change

Treasury Department – U.S. Mint



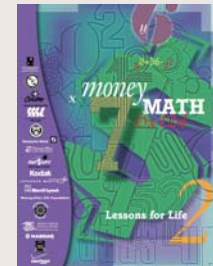
Personal Financial Education

Federal Reserve Bank



Money Math: Lessons for Life

Treasury Department – BPD



Money Smart

Federal Deposit Insurance Corporation



# Additional Resources

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[www.treas.gov/financialeducation](http://www.treas.gov/financialeducation)

[www.sec.gov/investor/pubs/roadmap.htm](http://www.sec.gov/investor/pubs/roadmap.htm)

[www.irs.gov/app/understandingTaxes/](http://www.irs.gov/app/understandingTaxes/)

[www.reeusda.gov/ecs/cfe.htm](http://www.reeusda.gov/ecs/cfe.htm)

[www.ed.gov/index.jsp](http://www.ed.gov/index.jsp)

[www.pueblo.gsa.gov](http://www.pueblo.gsa.gov)



# ...Conclusion

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Working together, we can make a difference and ensure that young people have the knowledge and skills to effectively manage their financial lives.



# Thank You

